



The German Ambassador to Uganda, Dr Albrecht Conze (centre) and other officials opening the House of Africa Crafts Centre at St Simon Peters Vocational Training Centre on Thursday. Photo by Robert Atuhairwe

By Robert Atuhairwe

Strategy

Govt urged to move on final investment decision

The German Ambassador to Uganda, Dr Albrecht Conze, has said Uganda should quickly arrive at a Final Investment Decision (FID) with the international oil companies to enable it service its debt.

Conze said it will take another three years from that moment for the first oil to come out of the ground.

"During these three years, there will be no revenue from oil and yet the debt the country has incurred 'must' be serviced and that is expensive," he added.

Conze said since the oil flows, it will be much easier for Uganda to service its debt and pay back for all the important projects that have been done using debt money, especially the infrastructure.

As at the end of June 2019, the country's public debt amounted to sh46.36 trillion, of which the external debt was sh30.85 trillions. The domestic debt is sh15.51 trillion.

However, Conze, who said he is not privy to the negotiation details between the Government and oil firms, noted that what he had been hearing about the matter is that progress has been registered.

The delay to announce the FID comes after an impasse in the local oil industry. On August 29 last year, Tullow Oil Plc terminated its farm-down to its Joint Venture Partners (JVPs), Total E&P and China National Offshore Oil Corporation (CNOOC) Uganda Limited.

Total E&P immediately

suspended its activities on the East African Crude Oil Pipeline (EACOP), which will run a 1,445km voyage to Tanga Port in Tanzania, one of the lead projects that had been scheduled to kick start Uganda's oil industry, delaying efforts to reach the FID.

The FID is a point when the oil companies and government consent to undertake construction of projects, so that companies expend money on them (projects).

Conze urged Ugandan youth to use their energies productively to develop their country, noting that this can only be done through acquiring skills that can make them get jobs or create jobs for others to survive.

Dr Fred Kalisa Kabagambe, the senior presidential advisor on Oil and Gas, defended the Government for delaying to reach the FID hastily, arguing that all the parties want to get the best deal.

"There has been a lot of concurrence. We had to reach a give and take or win-win situation. They are about to close negotiations. We hope in the course of the year (2020), FID should happen," Kabagambe told *New Vision*.

"The delay could not be avoided because it is a business. In business, one can never say there are no risks involved. The risk of

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getting something good is a delay which comes as a cost.

"But do not go and say the dollar of today is/has better value than that of tomorrow and then say let me go and die. The Government realises it is long-term and all benefits cannot come today. We have to invest and get benefits in the future," he explained.

Conze and Kabagambe made the remarks as they officiated at the launch of the House of Africa-Crafts Demonstration/Teaching House at St. Simon Peters Vocational Training Centre in Bulumbura Cell in Hoima municipality on Thursday.

They commended St Simon Peter's Vocational Training Centre for implementing the Government initiative of skilling the youths.

The house, which cost sh36m, was funded by German Corporation for International Cooperation (GIZ) Skills Crafts and Network for Africa Project and Germany Masters Craft.

The House will be used to train different techniques of construction, plumbing and electrical.

Manfred Franz Becker, the project co-ordinator of Master Craft said the house is highly related to the oil industry because what is needed in the nascent oil and gas sector is what they are

training inside the house, such as electricians and welders.

Rev. Fr Joseph Bujurwa, the school director, said the support from different partners has helped them offer quality vocational education to Ugandans.

The Hoima Catholic Diocese bishop, Vincent Kirabo, hailed the vocational institution for pursuing its dream of being a model in training skills relevant to the labour market.

Bishop Kirabo's speech was delivered by Rev. Fr Robert Mugisa, the Hoima Catholic Diocese pastoral co-ordinator.

He said the diocese was committed to skilling the youth. Kirabo urged parishes in the diocese to struggle to be centres of skills development.

Uganda has made 21 discoveries so far, with 88% drilling rate and 6.5 billion barrels of oil in place, of which between 1.7 to 1.4 are recoverable.

Nine production licenses have been issued to CNOOC, Total E&P and Tullow Oil Plc Uganda.

Three exploration licences have also been issued to Nigerian firm Oranto Petroleum at Ngassa held in Hoima and Australian-originated Armour Energy in the Kanywataba licence area in

Northwest districts.